
Washington UBI Service Providers Assignment of Federal Employer Identification Number (FEIN) POLICY

A **completed** SS-4 Form is required to issue a FEIN number. Use only blue or black ink.

Only issue for counter customers with a Master Application. A FEIN number may be issued when a counter customer is filing for the first time under the ownership. Issuance can be done only when issuing a UBI number on the UBI database (screen 1750).

NOTE: Do not accept incomplete forms.

IRS confirmation on the conditional FEIN will take up to two (2) weeks after receiving the SS-4 form from the Department of Licensing. (Providing there is no problem with the SS-4 form.)

1. The State of Washington is only authorized to issue FEINs for:
 - Sole proprietors with employees
 - Partnerships: General Partnerships; Limited Partnerships; Limited Liability Partnerships
 - For-profit corporations only
 - Limited Liability Companies
 - Change in entities – New FEIN required. Examples: Partnership to corporation; sole proprietor to corporation; partnership to sole proprietor; 50% change in partnership; new corporation structure, etc.
2. Under the following conditions the taxpayer should be instructed to submit the SS-4 form directly to the IRS:
 - Associations and non-profit or Exempt Organizations
 - Non-profit Corporations

- Taxpayers requesting multiple FEINS
- Sole proprietors **without** employees
- Individuals who cannot provide United States Social Security Number
- Incomplete SS-4 Forms
- SS-4 form filed with a Power of Attorney (POA)
- Estates and Trusts
- Foreign Corporations (outside of the Washington State or United States)
- State agencies unable to determine if the customer is a new entity

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Washington UBI Service Providers Assignment of Federal Employer Identification Number (FEIN) PROCEDURE

1. State agencies will need to inquire whether the customer already has an established FEIN for the entity on which they are applying. Example:
 - Sole proprietor – Only 1 FEIN regardless of the different businesses he/she owns
 - Corporation changing its name – no new FEIN required
 - Corporation changing to S Corporation – no new FEIN required
2. Write the FEIN in the upper right hand corner of the SS-4 Form in **blue** or **black** ink **only**.
3. Make sure a copy of the SS-4 Form is made for the applicant and is attached to the FEIN Notice. This notice is titled “Applying for Your Federal Employer Identification Number”.
4. If the FEIN is issued by mistake, write the FEIN in the right hand corner of the SS-4 Form and write across the top “**ISSUED IN ERROR**”. Forward the SS-4 Forms to the Master License Service.
5. After issuing a FEIN - which is done at the same time the Unified Business Identifier (UBI) is issued - forward all completed SS-4 Forms **daily** to either:

OR

<u>CAMPUS MAIL</u>	<u>REGULAR MAIL</u>
MASTER LICENSE SERVICE ATTN: CUSTOMER RELATIONS MAIL STOP 48001	MASTER LICENSE SERVICE ATTN: CUSTOMER RELATIONS PO BOX 9034 OLYMPIA WA 98507-9034

6. Master License contact persons are:
 - Tanya Woodward (360) 664-1405, Counter Staff
 - Lena Moore (360) 664-1408, Counter Staff
 - Brenda Riley (360) 664-1410

7. A FEIN should not be issued when the SS-4 Form is received through the mail. Send the form directly to the IRS.

INTERNAL REVENUE SERVICE
ATTN: ENTITY CONTROL
PHILADELPHIA PA 19255

Tel: 1-866-816-2065
Fax: 215-516-3990

In accordance with the Memorandum of Understanding, effective October 1, 1996.

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Required Fields on Form SS-4 PROCEDURE

(Use blue or black ink when writing FEIN ONLY)

- Line 1 Name of applicant
- Line 2 Trade Name of Business (if different from line 1)
- Line 4 a/b Mailing address (if PO Box is listed, write business address in line 5a/b)
- Line 5 a/b Business address (not needed if same as mailing address)
- Line 6 County and state where principal business is located
- Line 7 Name of one principal officer, owner, general partner, limited liability member or manager. **Social Security Number (SSN) required:**
- If a person cannot provide you with a Social Security Number, this FEIN **cannot** be assigned by the state. Instruct the client to send SS-4 to IRS.
 - Corporation or Limited Liability Company name and FEIN is not acceptable in Line 7. They must provide one officer's name and Social Security Number.
- Line 8a Type of Entity (common entities that we will be dealing with)
- Sole Proprietor: **SSN required**
 - Partnership: Marked if the ownership structure is a general partnership; limited partnership; limited liability partnership; and/or limited liability company (see attachment A, page 2-6) wishing to report taxes as a partnership.
 - Other Corporation (specify): Marked if the ownership structure is a corporation and/or limited liability company wishing to report taxes as a corporation. (See attachments A or B, page 2-8, 2-9.)

- Other (specify): Marked if the ownership structure is a limited liability company wishing to report taxes as a single owner disregarded. (See attachment A, page 2-8.)

Line 9 Reason for applying (check only one box)

- Started new business (specify)
- Hired employees
- Created a pension plan (specify)
- Banking purpose (specify) (non profit organizations only)
- Changed type of organization (specify)
- Purchase going business
- Created a trust (specify)
- Other (specify)

Required Fields on Form SS-4 (continued)

Line 10 Date business started (month, day, year)

Line 11 Enter closing month of accounting year (not required for sole proprietors)

Line 12 and Line 13 must be completed if there are employees.

Line 12 Wages paid date (month, day, year)

- Wages paid date only required if there are employees
- Line 13 is required if line 12 has a wage paid date.

Line 13 Number of employees (non-agricultural, agricultural, and household)

- If applicable
- If line 13 shows employees, line 12 must be completed

Line 14 Principal activity **(required)** – exact type of business must be specified. The state may not issue a FEIN for the following:

- Loan purposes
- Banking
- Blank space

Line 15 Activity Manufacturing (yes, no). If yes, indicate the raw material used.

Line 16 Products or services sold to whom (business, public, other)

Line 17a/b/c Previously applied for FEIN (yes, no). If yes, line 17b and 17c are **required**.

⇒ **Telephone number of business.**

⇒ **Print or type clearly Name and Title of person signing SS-4 Form**

⇒ **Signature (applicant's valid signature – no Power of Attorney)**

NOTE: Lines 14, 15 and 16 determine the correct industry code. Line 8b is the only line of Form SS-4 not used by either the IRS or the Social Security Administration (SSA).

ATTACHMENT A

Limited Liability Companies (LLC) Instructions

Per Form SS-4 instructions for line 8a:

An LLC with **two or more members** can report as a partnership.

- If the LLC is classified as a partnership for federal income tax purposes, **check the “Partnership” box**. (Form 1065 will be used to file Partnership Income Tax Return with the IRS every year)

An LLC with one or more members can report as a corporation.

- If the LLC is classified as a corporation for federal income tax purposes, **check the “Other Corporation” box** and **enter “limited liability co.”** in the space provided. (Form 1120 will be used to file Corporation Income Tax Return with the IRS every year.)

An LLC with a single owner wishing to be a disregarded entity separate from its owner can report as a sole proprietor.

- If the LLC is disregarded as an entity separate from its owner, **check the “other” box** and **enter “disregarded entity”** in the space provided. (Form 1040 will be used to file Income Tax Return with the IRS every year.)

The taxpayer must provide this information. If the taxpayer is not sure, tell him/her to contact a tax advisor and let the taxpayer send the SS-4 Form directly to the IRS. **Do not try to help them make this decision.**

ATTACHMENT B

Corporation Instructions

Per Form SS-4 instructions (Rev. 2/98) for line 8a, Corporation:

An entity consisting of **one or more officers** can report as a corporation.

- If the entity is classified as a corporation other than a personal service corporation for federal income tax purposes, check the “**Other corporation**” box and enter the **type of corporation** (such as insurance company, S-Corporations, C- Corporation) in the space provided. (Form 1120 will be used to file Corporation Income Tax Return with the IRS every year.)

A Personal Service Corporation includes performance of services in such fields as health, law, accounting or consulting. **Check the “personal service corporation” box** if the entity will be a personal service corporation.

An entity is classified as a personal service corporation for a tax year only if:

- The principal activity of the entity during the testing period (prior tax year) for the tax year is the performance of personal services substantially by employee-owners **and**,
- The employee-owners own at least 10% of the fair market value of the outstanding stock in the entity on the last day of the testing period.

For more information about personal service corporations, see the Instructions for Form 1120, US Corporation Income Tax Return, and Pub 542, Corporations.

The taxpayer must provide this information. If the taxpayer is not sure, tell him/her to contact a tax advisor and let the taxpayer send the SS-4 Form directly to the IRS. **Do not try to help them make this decision.**

Questions & Answers

1. **Are we required to obtain a Social Security Number for a corporate officer of a corporation, for a partner of a partnership, for a member/manager of a limited liability company, or for an officer of two corporations forming either a partnership or a limited liability company?**

YES – See instructions for box 7.

2. **If this is the case, what if a corporate officer or partner does not have one? Are we accepting the fact that one is being applied for?**

NO. They must send a copy of their passport or driver's license from their country along with the SS-4 Form directly to the IRS. The state will not issue the FEIN. (See instructions for box 7.)

3. **If a sole proprietor (husband) has a FEIN and the spouse (wife) starts her own business with employees, and they have the same UBI number, do they use the same FEIN?**

NO. Sole means ONE only. The wife will submit a new SS-4 Form directly to the IRS. The state will not issue in this case.

4. **Does a sole proprietor (husband /wife) ever get issued two FEINs?**

If the husband and wife are issued separate UBI numbers and both of them have employees, then the IRS requires separate FEINs. The state can issue the FEIN in this case. (Does not apply to branch numbers). The IRS will confirm the FEIN.

5. **How do you order SS-4 forms?**

Follow agency process for ordering Master Applications.

6. **What if I forgot to issue a FEIN during UBI issuance?**

Completed SS-4 form must be sent directly to Master License Service.

7. **What are the most common errors when completing the SS-4 form?**

Most often missing from the SS-4 form are:

- Names of partners when there is a partnership
- The Social Security Numbers of the partners
- The Social Security Number of the of a sole proprietor
- The FIEN number assigned
- The body of the form is blank
- The form is not signed
- The form is signed by someone other than the person shown as the owner
- The whole form is blank except for a name at the top

8. According to the IRS, what are some of the most common errors?

- The wrong color ink is used (must use blue or black for faxing legibility)
- FEIN is issued to a foreign company
- A Canadian social security number is used
- FEIN is issued to a non-profit company

NOTE: The IRS will cancel a FEIN and issue a new one if we issue with an incomplete form or the firm has sent one in before or after we issue.

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SS-4 Form (Internal Revenue Service [IRS])

(See *also*: Chapter 10)

<http://www.irs.gov/pub/irs-pdf/fss4.pdf> (Form)

<http://www.irs.gov/pub/irs-pdf/iss4.pdf> (Instructions)